

ATTACHMENT B

**SOCIO-ECONOMIC ASSESSMENT
PROPOSED SPOTTED DOG LAND ACQUISITION**

MONTANA FISH, WILDLIFE AND PARKS

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I. INTRODUCTION

House Bill 526, passed by the 1987 Legislature (MCA 87-1-241 and MCA 87-1-242), authorizes Montana Fish, Wildlife and Parks (FWP) to acquire an interest in land for the purpose of protecting and improving wildlife habitat. These acquisitions can be through fee title, conservation easements, or leasing. In 1989, the Montana legislature passed House Bill 720 requiring that a socioeconomic assessment be completed when wildlife habitat is acquired using Habitat Montana monies. These assessments evaluate the significant social and economic impacts of the acquisition on local governments, employment, schools, and impacts on local businesses.

This socioeconomic evaluation addresses the fee title purchase of property from the Rock Creek Cattle Company (RCCC). The report addresses the physical and institutional setting as well as the social and economic impacts associated with the proposed fee title acquisition.

II. PHYSICAL AND INSTITUTIONAL SETTING

A. Property Description

The Spotted Dog property lies between Avon and Deer Lodge, Montana, in Powell County. The property that FWP would acquire encompasses 27,616 acres and is interspersed with 10,260 acres of Department of Natural Resources and Conservation (DNRC) land. This property is comprised of native intermountain grassland, shrub grassland, coniferous forests, and 45 miles of riparian habitat. A detailed legal description is included in the Environmental Assessment.

B. Habitat and Wildlife Populations

This property supports a diversity of wildlife including elk, mule deer, white-tailed deer, moose, and black bear to name a few. It also provides habitat for one of the largest concentrations of elk in the Upper Clark Fork. In addition, west-slope cutthroat trout are found in the three major drainages on the property. For a complete list of species, see the Draft Environmental Assessment or Management Plan.

C. Current Use

Currently the property is owned and managed by RY Timber, with a sale pending to Rock Creek Cattle Company. The ranch is an operating cattle ranch with about 2,000 cow-calf pairs on the property. There are 51 acres of land used for hay production. The majority of commercially valuable timber has been harvested from the property.

D. Purchase Alternatives

- 1) Purchase the property fee title.
- 2) No fee title purchase

FWP Fee Title Purchase

FWP plans to designate this property as a Wildlife Management Area (WMA). The goal is to protect and enhance the fisheries and wildlife habitat and provide recreational opportunities that meet the management plan's guidelines. Under FWP management hunting, hiking, fishing, and other recreational opportunities would be allowed while protecting the largest unbroken grassland habitat under private ownership in the Upper Clark Fork.

No Purchase Alternative

The no purchase alternative requires some assumptions since use and management of the property would vary depending on what RCCC may do with the property.

III. SOCIAL AND ECONOMIC IMPACTS

The fee title purchase would provide long-term protection of important wildlife and fisheries habitat and provide public access to the land. This section describes the social and economic impacts of the fee title purchase.

The financial impacts section of this document address the cost of the fee title acquisition by FWP and discuss the impacts on tax revenues to local government agencies including school districts.

A. Financial Impacts

Montana Fish, Wildlife & Parks would pay approximately \$15.2 million for fee title ownership of the Spotted Dog property. The funding would come from an Upper Clark Fork River Basin Restoration Grant administered by the Natural Resource Damage Program (NRDP). FWP has also made application to this same funding source to cover maintenance expenses in the amount of \$1,225,140, which would be used for weed management, roads and fencing during the first five years of FWP ownership. The budget to support this estimate of maintenance cost is contained in the Draft Management Plan, along with an outline of long-term maintenance needs.

Senate Bill 164 passed by the 2009 legislature directs that FWP establish a maintenance account to address maintenance requirements defined in the bill. For this acquisition, the maintenance account would be \$300,000, which is covered by the \$1,225,140 NRDP operations and maintenance request.

The sale of this land by RCCC and subsequent title transfer to FWP would not change the tax revenues that Powell County currently collects on these lands, since FWP is required by Montana Code 87-1-603 to pay "to the county a sum equal to the amount of taxes which would be payable on county assessment of the property were it taxable to a private citizen." Existing taxes on this land are approximately \$15,000 per year based on the current assessment.

Powell County does not assess a tax on livestock so there would be no financial impact to the county from FWP not allowing grazing on the Spotted Dog property.

B. Economic Impacts

The maintenance and enhancement work necessary on the Spotted Dog WMA would provide economic activity for local businesses. As mentioned above, FWP expects to spend over a million dollars during a 5 year period to improve and maintain the WMA.

While the acquisition of this WMA is likely to increase the total number of hunter days in this area, it will help to distribute hunting pressure and improve the quality of hunting. The Spotted Dog WMA would provide positive economic benefits to local businesses in the surrounding communities. In addition to hunting, the purchase would provide opportunities for other recreational activities such as wildlife viewing, hiking, etc., all of which would contribute to the economic well-being of local businesses.

Under the management plan for Spotted Dog, pastures would be initially rested from grazing. It is unknown whether RCCC cattle currently utilizing this property would be moved to other ranch lands or sold, and whether there would be an impact on local businesses. The Spotted Dog property is currently being marketed for sale, and the disposition of the RCCC cattle currently grazing the property would likely be the same, whether the property is sold to FWP or a private buyer.

FINDINGS AND CONCLUSIONS

The Spotted Dog property fee title purchase by Montana Fish, Wildlife and Parks would provide long term protection for wildlife habitat, maintain open space and the integrity of the land, enhance public recreation opportunities, and improve the condition of the riparian areas.

This purchase would not reduce the tax revenues that Powell County collects on this property under Montana Code 97-1-603.

The financial impacts to local businesses from this purchase would be neutral to positive given that recreational opportunities would not be negatively impacted and FWP would be working to address weed issues, road and fence maintenance, as well as fire and timber issues.

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